

<b>A Check if:</b>  1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch. M-3) <input type="checkbox"/>	<b>Use IRS label. Otherwise, print or type.</b>	Name <b>HELPING HORSES, INC.</b>	<b>B Employer identification number</b> <b>40-5555555</b>
		Number, street, and room or suite no. If a P.O. box, see instructions. <b>31 ANY STREET</b>	<b>C Date incorporated</b> <b>07-22-2001</b>
		City or town, state, and ZIP code <b>ANYTOWN MD 20901</b>	<b>D Total assets (see instructions)</b> <b>\$ 52,380,652</b>

<b>E Check if:</b>	(1) <input type="checkbox"/> Initial return	(2) <input type="checkbox"/> Final return	(3) <input type="checkbox"/> Name change	(4) <input type="checkbox"/> Address change
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<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>301,299,391</b>	<b>b</b> Less returns and allowances		<b>c Bal ▶</b>	<b>1c</b>	<b>301,299,391</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	<b>173,465,614</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	<b>127,833,777</b>
	<b>4</b> Dividends (Schedule C, line 19)					<b>4</b>	<b>35,000</b>
	<b>5</b> Interest					<b>5</b>	
	<b>6</b> Gross rents					<b>6</b>	<b>125,000</b>
	<b>7</b> Gross royalties					<b>7</b>	
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))					<b>8</b>	
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>9</b>	
	<b>10</b> Other income (see instructions - attach schedule)					<b>10</b>	
	<b>11 Total income.</b> Add lines 3 through 10					<b>11</b>	<b>127,993,777</b>
<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (Schedule E, line 4)					<b>12</b>	<b>2,000,000</b>
	<b>13</b> Salaries and wages (less employment credits)					<b>13</b>	<b>30,816,966</b>
	<b>14</b> Repairs and maintenance					<b>14</b>	<b>87,005</b>
	<b>15</b> Bad debts					<b>15</b>	
	<b>16</b> Rents					<b>16</b>	<b>15,000,000</b>
	<b>17</b> Taxes and licenses					<b>17</b>	<b>535,475</b>
	<b>18</b> Interest					<b>18</b>	<b>4,002,456</b>
	<b>19</b> Charitable contributions				STATEMENT # 4	<b>19</b>	<b>125,000</b>
	<b>20</b> Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)					<b>20</b>	<b>278,404</b>
	<b>21</b> Depletion					<b>21</b>	
	<b>22</b> Advertising					<b>22</b>	<b>725,000</b>
	<b>23</b> Pension, profit-sharing, etc., plans					<b>23</b>	
	<b>24</b> Employee benefit programs					<b>24</b>	
	<b>25</b> Domestic production activities deduction (attach Form 8903)					<b>25</b>	
	<b>26</b> Other deductions (attach schedule)				STATEMENT # 5	<b>26</b>	<b>72,753,717</b>
	<b>27 Total deductions.</b> Add lines 12 through 26					<b>27</b>	<b>126,324,023</b>
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					<b>28</b>	<b>1,669,754</b>
<b>29 Less: a</b> Net operating loss deduction (see instructions)		<b>29a</b>					
<b>b</b> Special deductions (Schedule C, line 20)		<b>29b</b>	<b>28,000</b>		<b>29c</b>	<b>28,000</b>	
<b>30 Taxable income.</b> Subtract line 29c from line 28 (see instructions)					<b>30</b>	<b>1,641,754</b>	
<b>31 Total tax</b> (Schedule J, line 10)					<b>31</b>	<b>558,196</b>	
<b>Tax and Payments</b>	<b>32a</b> 2005 overpayment credited to 2006	<b>32a</b>					
	<b>b</b> 2006 estimated tax payments	<b>32b</b>					
	<b>c</b> 2006 refund applied for on Form 4466	<b>32c</b>	( )	<b>d Bal ▶</b>	<b>32d</b>		
	<b>e</b> Tax deposited with Form 7004				<b>32e</b>		
	<b>f</b> Credits: (1) Form 2439 (2) Form 4136				<b>32f</b>		
	<b>g</b> Credit for federal telephone excise tax paid (attach Form 8913)				<b>32g</b>		
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached					<b>33</b>	
	<b>34 Amount owed.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed					<b>34</b>	<b>558,196</b>
	<b>35 Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					<b>35</b>	
	<b>36</b> Enter amount of line 35 you want: <b>Credited to 2007 estimated tax</b> <b>Refunded</b>					<b>36</b>	

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer	Date	Title

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.	

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	90,000
2	Purchases	2	84,005,609
3	Cost of labor	3	59,945,400
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	30,323,600
6	Total. Add lines 1 through 5	6	174,364,609
7	Inventory at end of year	7	898,995
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	173,465,614

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (see instructions)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	35,000	80	28,000
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 Total. Add lines 1 through 8. See instructions for limitation			28,000
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4	35,000		
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			28,000

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

**Schedule J Tax Computation** (see instructions)

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2 558,196
3	Alternative minimum tax (attach Form 4626)		3 0
4	Add lines 2 and 3		4 558,196
5a	Foreign tax credit (attach Form 1118)	5a	
b	Qualified electric vehicle credit (attach Form 8834)	5b	
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912	5e	
6	<b>Total credits.</b> Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	558,196
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	9	
10	<b>Total tax.</b> Add lines 7 through 9. Enter here and on page 1, line 31	10	558,196

**Schedule K Other Information** (see instructions)

	Yes	No		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash		7	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation?	
b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) <u>                    </u>			If "Yes," enter: (a) Percentage owned <u>                    </u> and (b) Owner's country <u>                    </u>		
2	See the instructions and enter the:		c	The corporation may have to file <b>Form 5472</b> , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter number of Forms 5472 attached <u>                    </u>	
a	Business activity code no. <u>112900</u>		8	Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/>	
b	Business activity <u>HORSES</u>		If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments.		
c	Product or service <u>BREEDING</u>		9	Enter the amount of tax-exempt interest received or accrued during the tax year <u>\$</u>	
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		10	Enter the number of shareholders at the end of the tax year (if 100 or fewer) <u>                    </u>	
If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			11	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/>	
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		If the corporation is filing a consolidated return, the statement required by Temporary Regulations section 1.1502-21T(b)(3) must be attached or the election will not be valid.		
If "Yes," enter name and EIN of the parent corporation <u>                    </u>			12	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) <u>\$</u>	
5	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)		13	Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year <b>and</b> its total assets at the end of the tax year less than \$250,000?	
If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned <u>0</u>			If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. <u>\$</u>		
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)				
If "Yes," file <b>Form 5452</b> , Corporate Report of Nondividend Distributions.					
If this is a consolidated return, answer here for the parent corporation and on <b>Form 851</b> , Affiliations Schedule, for each subsidiary.					

**Note:** If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash . . . . .				8,487,344
2a	Trade notes and accounts receivable . . . . .	6,984,217		8,776,583	
b	Less allowance for bad debts . . . . .	( )	6,984,217	( )	8,776,583
3	Inventories . . . . .		90,000		950,547
4	U.S. government obligations . . . . .				
5	Tax-exempt securities (see instructions) . . . . .				
6	Other current assets (attach schedule) . . . . .		2,543,822		3,027,775
7	Loans to shareholders . . . . .				
8	Mortgage and real estate loans . . . . .				
9	Other investments (attach schedule) . . . . .				2,534,275
10a	Buildings and other depreciable assets . . . . .	22,162,029		22,278,330	
b	Less accumulated depreciation . . . . .	( 4,370,690 )	17,791,339	( 4,649,094 )	17,629,236
11a	Depletable assets . . . . .				
b	Less accumulated depletion . . . . .	( )		( )	
12	Land (net of any amortization) . . . . .		10,616,600		10,616,600
13a	Intangible assets (amortizable only) . . . . .				
b	Less accumulated amortization . . . . .	( )		( )	
14	Other assets (attach schedule) . . . . .		66,877		358,292
15	Total assets . . . . .		38,092,855		52,380,652
Liabilities and Shareholders' Equity					
16	Accounts payable . . . . .		1,058,499		5,206,475
17	Mortgages, notes, bonds payable in less than 1 year . . . . .		426,000		826,000
18	Other current liabilities (attach schedule) . . . . .		177,653		478,453
19	Loans from shareholders . . . . .		25,000		70,000
20	Mortgages, notes, bonds payable in 1 year or more . . . . .		1,000,000		3,486,545
21	Other liabilities (attach schedule) . . . . .		9,520		233,299
22	Capital stock: a Preferred stock . . . . .				
b	Common stock . . . . .	5,985,000	5,985,000	5,985,000	5,985,000
23	Additional paid-in capital . . . . .		12,715,000		12,715,000
24	Retained earnings-Appropriated (attach schedule) . . . . .				
25	Retained earnings-Unappropriated . . . . .		17,221,183		23,904,880
26	Adjustments to shareholder's equity (attach schedule) . . . . .				
27	Less cost of treasury stock . . . . .		( 525,000 )		( 525,000 )
28	Total liabilities and shareholders' equity . . . . .		38,092,855		52,380,652

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return	
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more-see instructions	
1 Net income (loss) per books . . . . .	1,166,334
2 Federal income tax per books . . . . .	558,196
3 Excess of capital losses over capital gains . . . . .	
4 Income subject to tax not recorded on books this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):	
a Depreciation . . . . . \$	
b Charitable contributions \$	
c Travel and entertainment \$	
6 Add lines 1 through 5 . . . . .	1,724,530
7 Income recorded on books this year not included on this return (itemize):	
Tax-exempt interest \$	54,776
8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation . . . . . \$	
b Charitable contributions \$	
9 Add lines 7 and 8 . . . . .	54,776
10 Income (page 1, line 28)-line 6 less line 9	1,669,754

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1 Balance at beginning of year . . . . .	17,221,183
2 Net income (loss) per books . . . . .	1,166,334
3 Other increases (itemize):	
	5,556,630
4 Add lines 1, 2, and 3 . . . . .	23,944,147
5 Distributions: a Cash . . . . .	
b Stock . . . . .	
c Property . . . . .	
6 Other decreases (itemize):	
7 Add lines 5 and 6 . . . . .	
8 Balance at end of year (line 4 less line 7)	23,944,147

**2006 Form 355**      **MA0539711024**  
 Business or Manufacturing Corporation Excise Return

Year beginning **03012006** Ending **02282007**

**HELPING HORSES, INC.**      **40-5555555**  
**31 ANY STREET**      **ANYTOWN**      **MD 20901**  
**31 ALL STREETS**      **SHEFFIELD**      **MA 01257**

- |     |  |   |          |                         |                          |                 |
|-----|--|---|----------|-------------------------|--------------------------|-----------------|
| 1.  | Is the corporation incorporated within Massachusetts?                                  | ▶ | <b>X</b> | Yes                     | No                       |                 |
| 2.  | Type of corporation  | ▶ |          | Section 38 manufacturer | Mutual fund service      |                 |
| 3.  | Type of corporation  | ▶ |          | R&D                     | Classified manufacturing |                 |
| 4.  | Is the corporation participating in the filing of a U.S. consolidated return?          |   |          |                         |                          |                 |
| 5.  | Is the corporation filing a Massachusetts combined return?                             |   |          |                         |                          |                 |
| 6.  | Is the corporation an insurance mutual fund holding corporation?                       | ▶ |          | Yes                     | <b>X</b> No              |                 |
| 7.  | Is the corporation requesting alternate apportionment?                                 | ▶ |          | Yes                     | <b>X</b> No              |                 |
| 8.  | Is this a final Massachusetts return?  | ▶ |          | Yes                     | <b>X</b> No              |                 |
| 9.  | Principal business code  |   |          | ▶                       | <b>9</b>                 | <b>112900</b>   |
| 10. | FID of parent corporation, if filing a consolidated federal return                     |   |          | ▶                       | <b>10</b>                |                 |
| 11. | Average number of employees in Massachusetts   |   |          |                         | <b>11</b>                | <b>1245</b>     |
| 12. | Average number of employees worldwide  |   |          |                         | <b>12</b>                | <b>13876</b>    |
| 13. | Date of charter or first date of business in Massachusetts                             |   |          |                         | <b>13</b>                | <b>07222001</b> |
| 14. | Last year audited by IRS   |   |          | ▶                       | <b>14</b>                |                 |
| 15. | Have adjustments been reported to Massachusetts?                                       |   |          | Yes                     | <b>X</b> No              |                 |
| 16. | Is the corporation deducting intangible or interest expenses paid to a related entity? | ▶ |          | Yes                     | <b>X</b> No              |                 |
| 17. | Is the taxpayer enclosing a Taxpayer Disclosure Statement?                             | ▶ |          | Yes                     | No                       |                 |

**SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.**

Signature of appropriate officer      Date      Print paid preparer's name      Paid preparer's SSN or PTIN

**03022006**

Title      Paid preparer's phone      Paid preparer's EIN

**CFO**

Are you signing as an authorized delegate

of the appropriate officer of the corporation?

(see instructions)      **X** Yes      No

Paid preparer's signature

Date

Check if self-employed

**PRIVACY ACT NOTICE AVAILABLE UPON REQUEST**

**2006 Excise Calculation****MA0539721024**

Business or Manufacturing Corporation Excise Return

**40-5555555**

1.	Taxable Massachusetts tangible property, if applicable	▶	830631	x .0026 =	▶ 1	2160
2.	Taxable net worth, if applicable	▶		x .0026 =	▶ 2	
3.	Massachusetts taxable income	▶	88824	x .095 =	▶ 3	8438
4.	Credit recapture				▶ 4	
5.	Excise before credits				5	10598
6.	Total credits				▶ 6	
7.	Excise after credits				7	10598
8.	Minimum excise				8	456
9.	Excise due before voluntary contribution				9	10598
10.	Voluntary contribution for endangered wildlife conservation				▶ 10	40000
11.	Excise due plus voluntary contribution				▶ 11	50598
12.	2005 overpayment applied to your 2006 estimated tax				▶ 12	40000
13.	2006 Massachusetts estimated tax payments				▶ 13	17300
14.	Payment made with extension				▶ 14	
15.	Total payments				▶ 15	57300
16.	Amount overpaid				16	6702
17.	Amount overpaid to be credited to 2007 estimated tax				17	6702
18.	Amount overpaid to be refunded			Refund	▶ 18	
19.	Balance due			Balance due	▶ 19	
20.	a. M-2220 penalty ▶	b. Late file/pay penalties ▶		a + b =	20	
21.	Interest on unpaid balance				▶ 21	
22.	Total payment due at time of filing			Total due	▶ 22	

**2006 Schedule A**      **MA0506011024**  
Balance Sheet

**HELPING HORSES, INC.**

**40-5555555**

**Tangible Assets**

		A. Original cost		B. Accumulated depreciation and amortization		C. Net book value
<b>1.</b>	Capital assets in Massachusetts:					
	a. Buildings	▶ 1a	4998164	▶	2798972	2199192
	b. Land	▶ 1b	1845000			1845000
	c. Motor vehicles and trailers	▶ 1c	1385777	▶	841466	544311
	d. Machinery taxed locally	▶ 1d	85000	▶	25000	60000
	e. Machinery not taxed locally	▶ 1e	545873	▶	41678	504195
	f. Equipment	▶ 1f	87155	▶	17431	69724
	g. Fixtures	1g	127466		36419	91047
	h. Leasehold improvements taxed locally	▶ 1h	77833	▶	24906	52927
	i. Leasehold improvements not taxed locally	1i	376500		50200	326300
	j. Other fixed depreciable assets	1j	25000		8000	17000
	k. Construction in progress	1k	787526			787526
	l. Total capital assets in Massachusetts	▶ 1l				6497222
<b>2.</b>	Inventories in Massachusetts:					
	a. General merchandise	2a				276485
	b. Exempt goods	▶ 2b				37833
<b>3.</b>	Supplies and other non-depreciable assets in Mass.	3				12897
<b>4.</b>	Total tangible assets in Massachusetts	▶ 4				6824437
<b>5.</b>	Capital assets outside of Massachusetts:					
	a. Buildings and other depreciable assets	5a	12948750		348723	12600027
	b. Land	5b	8771600			8771600
<b>6.</b>	Leaseholds/leasehold improvements outside Mass.	6	833286		456299	376987
<b>7.</b>	Total capital assets outside Massachusetts	▶ 7	22553636	▶	805022	21748614

**2006 Schedule A, pg. 2****MA0506021024**

Business or Manufacturing Corporation Excise Return

**40-5555555**

<b>8.</b>	Inventories outside Massachusetts	<b>8</b>	<b>584677</b>
<b>9.</b>	Supplies and other non-depreciable assets outside Massachusetts	<b>9</b>	<b>38655</b>
<b>10.</b>	Total tangible assets outside of Massachusetts	<b>10</b>	<b>22371946</b>
<b>11.</b>	Total tangible assets. Add lines 4 and 10	<b>11</b>	<b>29196383</b>
<b>12.</b>	Investments:		
	a. Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1)	▶ <b>12a</b>	<b>800000</b>
	b. Other investments	▶ <b>12b</b>	<b>1734275</b>
<b>13.</b>	Notes receivable	<b>13</b>	<b>2575000</b>
<b>14.</b>	Accounts receivable	<b>14</b>	<b>8776583</b>
<b>15.</b>	Intercompany receivables (enclose Schedule A-2)	<b>15</b>	<b>452775</b>
<b>16.</b>	Cash	<b>16</b>	<b>8487344</b>
<b>17.</b>	Other assets	<b>17</b>	<b>358292</b>
<b>18.</b>	Total assets	▶ <b>18</b>	<b>52380652</b>

**Liabilities and Capital**

<b>19.</b>	Mortgages on:		
	a. Massachusetts tangible property taxed locally	<b>19a</b>	<b>2281055</b>
	b. Other tangible assets	<b>19b</b>	<b>730490</b>
<b>20.</b>	Bonds and other funded debt	<b>20</b>	<b>475000</b>
<b>21.</b>	Accounts payable	<b>21</b>	<b>5206475</b>
<b>22.</b>	Intercompany payables (enclose Schedule A-3)	▶ <b>22</b>	<b>70000</b>
<b>23.</b>	Notes payable	<b>23</b>	<b>826000</b>
<b>24.</b>	Miscellaneous current liabilities	<b>24</b>	<b>478453</b>
<b>25.</b>	Miscellaneous accrued liabilities	<b>25</b>	<b>233299</b>
<b>26.</b>	Total liabilities	▶ <b>26</b>	<b>10300772</b>
<b>27.</b>	Total capital stock issued	<b>27</b>	<b>5985000</b>
<b>28.</b>	Paid-in or capital surplus	<b>28</b>	<b>12715000</b>
<b>29.</b>	Retained earnings and surplus reserves	<b>29</b>	<b>23904880</b>
<b>30.</b>	Undistributed S corporation net income	<b>30</b>	
<b>31.</b>	Total capital	<b>31</b>	<b>42604880</b>
<b>32.</b>	Treasury stock	<b>32</b>	<b>525000</b>
<b>33.</b>	Total liabilities and capital	<b>33</b>	<b>52380652</b>



**2006 Schedule B**      **MA0506111024**  
Tangible or Intangible Property Corp. Classification

40-5555555

1.	Total Massachusetts tangible property	1	6824437
2.	Massachusetts real estate	2	4044192
3.	Massachusetts motor vehicles and trailers	3	544311
4.	Massachusetts machinery taxed locally	4	60000
5.	Massachusetts leasehold improvements taxed locally	5	52927
6.	Massachusetts tangible property taxed locally	▶ 6	4701430
7.	Massachusetts tangible property not taxed locally	7	2123007
8.	Total assets	8	52380652
9.	Massachusetts tangible property taxed locally	9	4701430
10.	Total assets not taxed locally	10	47679222
11.	Investments in subsidiaries at least 80% owned	11	800000
12.	Assets subject to allocation	12	46879222
13.	Income apportionment percentage	13	0.189745
14.	Allocated assets	▶ 14	8895098
15.	Tangible property percentage	15	0.238672

**Schedule C.** Tangible Property Corporation

1.	Total Massachusetts tangible property	1	6824437
2.	Exempt Massachusetts tangible property:		
a.	Massachusetts real estate	2a	4044192
b.	Massachusetts motor vehicles and trailers	2b	544311
c.	Massachusetts machinery taxed locally	2c	60000
d.	Massachusetts leasehold improvements taxed locally	2d	52927
e.	Exempt goods	2e	37833
f.	Certified Massachusetts industrial waste/air treatment facilities	2f	877277
g.	Certified Massachusetts solar or wind power deduction	2g	377266
3.	Total exempt Massachusetts tangible property	3	5993806
4.	Taxable Massachusetts tangible property	4	830631

**2006 Schedule D**

MA0506211024

Intangible Property Corporation

40-5555555

1.	Total assets	1
2.	Total liabilities	2
3.	Massachusetts tangible property taxed locally	3
4.	Mortgages on Massachusetts tangible property taxed locally	4
5.	Subtract line 4 from line 3	5
6.	Investments in subsidiaries at least 80% owned	6
7.	Deductions from total assets	7
8.	Allocable net worth	8
9.	Income apportionment percentage	9
10.	Taxable net worth	10

**Schedules E-1.** Dividends Deduction

1.	Total dividends	1	35000
2.	Dividends from Massachusetts corporate trusts	2	12000
3.	Dividends from non-wholly-owned DISCs	3	2000
4.	Dividends, if less than 15% of voting stock owned	4	10000
5.	Total taxable dividends	5	24000
6.	Dividends eligible for deduction	6	11000
7.	Dividends deduction	7	10450

**2006 Schedule E****MA0506411024**

Taxable Income

**HELPING HORSES, INC.****40-5555555**

1.	Gross receipts or sales		▶ 1	301299391
2.	Gross profit		▶ 2	127833777
3.	Other deductions		▶ 3	72753717
4.	Net income		▶ 4	1669754
5.	Allowable U.S. wage credit		▶ 5	
6.	Subtract line 5 from line 4		6	1669754
7.	State and municipal bond interest not included in U.S. net income		▶ 7	54776
8.	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income		▶ 8	483590
9.	Section 168(k) "bonus" depreciation adjustment		▶ 9	100000
10.	Section(s) 31I and 31K intangible expenses		▶ 10	2000
11.	Section(s) 31J and 31K interest expenses		▶ 11	2000
12.	Federal production activity add back		▶ 12	
13.	Other adjustments, including research and development expenses		▶ 13	873277
14.	Add lines 6 through 13		14	3185397
15.	Abandoned building renovation deduction	187270	x .10 = ▶ 15	18727
16.	Dividends deduction		▶ 16	10450
17.	Add back of intangible expenses exception		▶ 17	
18.	Add back of interest expenses exception		▶ 18	
19.	Subtract the total of lines 15 through 18 from line 14		19	3156220
20.	Loss carryover		▶ 20	2678994
21.	Income subject to apportionment		▶ 21	477226
22.	Income apportionment percentage		▶ 22	0.189745
23.	Multiply line 21 by line 22		23	90551
24.	Income not subject to apportionment		▶ 24	15000
25.	Certified Massachusetts solar or wind power deduction		▶ 25	16727
26.	Massachusetts taxable income		26	88824

2006 Schedule CD

MA0506311024

Corporate Disclosure

40-5555555

1.	Charitable contributions	▶ 1	125000
2.	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41	▶ 2	
3.	Accelerated depreciation allowed as a federal deduction:		
a.	Equipment	▶ 3a	145760
b.	Rental housing	▶ 3b	
c.	Buildings other than rental housing	▶ 3c	32644
d.	Pollution control facilities	▶ 3d	
4.	Depreciation included in line 3:		
a.	Equipment	▶ 4a	
b.	Rental housing	▶ 4b	
c.	Buildings other than rental housing	▶ 4c	
d.	Pollution control facilities	▶ 4d	
5.	Accelerated depreciation less standard depreciation:		
a.	Equipment	5a	145760
b.	Rental housing	5b	
c.	Buildings other than rental housing	5c	32644
d.	Pollution control facilities	5d	

**2006 Schedule E-2**

MA0509211024

Loss Carryover Deduction

HELPING HORSES, INC.

40-5555555

**Part 1. General Net Operating Loss**

1.	a.	2001 loss	1a	
	b.	2001 new corporation NOL carryover	1b	0
	c.	2001 loss used	1c	
	d.	2001 available loss	1d	
2.	a.	2002 loss	2a	1000000
	b.	2002 new corporation NOL carryover	2b	193718
	c.	2002 loss used	2c	1000000
	d.	2002 available loss	2d	193718
3.	a.	2003 loss	3a	1485276
	b.	2003 new corporation NOL carryover	3b	
	c.	2003 loss used	3c	
	d.	2003 available loss	3d	1485276
4.	a.	2004 loss	4a	
	b.	2004 new corporation NOL carryover	4b	1000000
	c.	2004 loss used	4c	
	d.	2004 available loss	4d	1000000
5.	a.	2005 loss	5a	
	b.	2005 new corporation NOL carryover	5b	
	c.	2005 loss used	5c	
	d.	2005 available loss	5d	
6.		Total available loss	6	2678994
7.		Net income	7	3185397
8.		Loss carryover deduction	8	2678994

**2006 Schedule E-2, pg. 2****MA0509221024**

Loss Carryover Deduction

**40-5555555****Part 2. New Corporation Net Operating Loss**

9.	a.	2002 Massachusetts loss	<b>9a</b>
	b.	2002 general NOL carryover	<b>9b</b>
	c.	2002 U.S. carryback to prior years	<b>9c</b>
	d.	2002 loss used	<b>9d</b>
	e.	2002 available loss	<b>9e</b>
10.	a.	2003 Massachusetts loss	<b>10a</b>
	b.	2003 general NOL carryover	<b>10b</b>
	c.	2003 U.S. carryback to prior years	<b>10c</b>
	d.	2003 loss used	<b>10d</b>
	e.	2003 available loss	<b>10e</b>
11.	a.	2004 Massachusetts loss	<b>11a</b>
	b.	2004 general NOL carryover	<b>11b</b>
	c.	2004 U.S. carryback to prior year	<b>11c</b>
	d.	2004 loss used	<b>11d</b>
	e.	2004 available loss	<b>11e</b>
12.	a.	2005 Massachusetts loss	<b>12a</b>
	b.	2005 general NOL carryover	<b>12b</b>
	c.	2005 U.S. carryback to prior year	<b>12c</b>
	d.	2005 loss previously used	<b>12d</b>
	e.	2005 available loss	<b>12e</b>
<b>13.</b>		Loss carryover deduction	<b>13</b>

**2006 Schedule A-1**

MA0509311024

Investments in Subsidiaries

**HELPING HORSES, INC.****40-5555555**

	A. NAME OF SUBSIDIARY	B. FEDERAL IDENTIFICATION NUMBER	C. AMOUNT OF INVESTMENT	D. ACCOUNTING METHOD COST    EQUITY
1.	BELMONT	888888888	400000	X
2.	AQUEDUCT	777777777	400000	X
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
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22.				
23.				
24.				
25.				
26.				
27.				
28.				
29.	Total investments	29	800000	

**2006 Schedule A-2**

MA0609411024

## Intercompany Receivables

HELPING HORSES, INC.

40-5555555

	A. NAME OF AFFILIATE	B. FEDERAL IDENTIFICATION NUMBER	C. AMOUNT OF INTERCOMPANY RECEIVABLES
1.	SARATOGA	555555555	252775
2.	CHURCHILL	444444444	200000
3.			
4.			
5.			
6.			
7.			
8.			
9.			
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11.			
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20.			
21.			
22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.	Total intercompany receivables	29	452775



**2006 Schedule A-3****MA0609511024**

Intercompany Payables

**HELPING HORSES, INC.****40-5555555**

	A. NAME OF AFFILIATE	B. FEDERAL IDENTIFICATION NUMBER	C. AMOUNT OF INTERCOMPANY PAYABLES
1.	<b>GULFSTREAM</b>	<b>222222222</b>	<b>40000</b>
2.	<b>LONE STAR</b>	<b>111111111</b>	<b>30000</b>
3.			
4.			
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22.			
23.			
24.			
25.			
26.			
27.			
28.			
29.	Total intercompany payables	<b>29</b>	<b>70000</b>

